

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902-E) for a Certificate Of Public Convenience & Necessity Valley-Rainbow 500kV Inter-Connect Project.

Application 01-03-036
(Filed March 23, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING FORTH SCENARIOS FOR ANALYSIS, IDENTIFYING
VARIOUS EXHIBITS, AND ESTABLISHING TIME TO OBJECT**

1. Summary

No later than July 8, 2002, San Diego Gas & Electric Company (SDG&E) shall prepare, and other parties may prepare, an analysis to identify if/when additional capacity is needed for reliability under G-1/N-1 conditions in various scenarios, attached. Exhibit 106, Exhibit 306A, Exhibit 315, Exhibit 400-9, Exhibit 400-10, and Exhibit 400-11 are marked for identification. These exhibits will be received into evidence as of the date identified unless objections are received by June 21, 2002.

2. Discussion

On the last day of evidentiary hearings on the need for SDG&E's proposed Valley-Rainbow 500 kilovolt (kV) Interconnect Project, I directed that a technical workshop be held to discuss several reliability issues in SDG&E's service territory. At that time I stated that I would identify several scenarios for the parties to assess, potentially through additional power flow modeling, with

different demand and generation assumptions, so that the Commission will have sufficient information to determine the need for the proposed project.

Attached to this ruling are 20 scenarios to be analyzed. The scenarios work off of a SDG&E Base Case¹ and vary based on demand and generation assumptions. As described in the attachment, SDG&E, and any parties performing the analysis, should determine if/when additional capacity is needed for reliability under G-1/N-1 conditions in the various scenarios.² The year a shortfall occurs and how much of a shortfall occurs (in megawatts (MW)) should be identified. If the critical G-1 or N-1 outage changes based on the scenario assumptions, the new critical outage should be specified (unless specified, I will assume G-1 is Encina 5 and N-1 is Southwest Power Link (SWPL) between Imperial Valley and Miguel Substations).³

SDG&E shall file its analysis no later than July 8, 2002. Other parties preparing analyses shall also file no later than July 8, 2002. I encourage the parties to confer regarding preparation of the analysis, with the hope that a single analysis can be submitted. I recognize that the assumptions included in the scenarios may or may not be supported by parties. Agreement on the results of the scenario analysis does not imply support for that scenario, but simply that a

¹ The SDG&E Base Case, defined in the attachment, is my understanding of SDG&E's assumptions, as set forth in testimony and clarified in the evidentiary hearings.

² At a minimum, I direct SDG&E to prepare a filing that analyzes the scenarios. Other parties are welcome to do so at their option. I leave it to the parties whether to perform additional power flow modeling to evaluate the scenarios.

³ Parties may perform this analysis with different G-1 assumptions, if appropriate, based on discussions at the June 4 technical workshop.

party agrees, from a technical standpoint, that the particular set of assumptions results in a particular capacity need or reliability outcome.

On the final day of hearings we discussed several exhibits that were to be identified and entered into evidence after the close of hearings. The document entitled “Statistical Analysis of Simultaneous Forced Outages in Bay Area” is marked for identification on May 22, 2002 as Exhibit 106. The document entitled “Response to ALJ Cooke’s Request for Information from Witness Wayne R. Schmus” is marked for identification on May 22, 2002 as Exhibit 315. As a result of preparing this exhibit, Save Southwest Riverside County, the City of Temecula, and the Pechanga Development Corporation (collectively, SSRC et al) served an errata to their prepared testimony. Errata Page II-9 (Revised 5/22/02) is marked for identification on May 22, 2002 as Exhibit 306A.

In addition, during hearings, counsel for Centex Homes, Inc. (Centex) provided color copies of Attachments 9, 10, and 11 of Centex’s opening testimony (Exhibit 400). To ensure completeness of the record, I will identify the color copies of Attachments 9, 10, and 11 as Exhibit 400-9, Exhibit 400-10, and Exhibit 400-11, respectively, as of the date of this ruling.

All of these exhibits will be received into evidence as of the date identified unless written objections are received by June 21, 2002.

IT IS RULED that:

1. No later than July 8, 2002, San Diego Gas & Electric Company (SDG&E) shall prepare, and other parties may prepare, an analysis to identify if/when additional capacity is needed for reliability under G-1/N-1 conditions in various scenarios, attached, and as further described herein.
2. Exhibit 106, Exhibit 306A, Exhibit 315, Exhibit 400-9, Exhibit 400-10, and Exhibit 400-11 are marked for identification as described herein.

3. Exhibit 106, Exhibit 306A, Exhibit 315, Exhibit 400-9, Exhibit 400-10, and Exhibit 400-11 shall be received into evidence as of the date identified unless objections are received by June 21, 2002.

Dated June 14, 2002, at San Francisco, California.

/s/ MICHELLE COOKE
Michelle Cooke
Administrative Law Judge

Attachment

Reliability Scenarios

For purposes of the scenarios described, I define the **SDG&E Base Case**, as described below.

SDG&E Base Case

1. Path 44 limit of 2500 MW in G-1/N-1 condition (Exhibit 1 at II-10)
2. No imports from CFE
3. Demand Forecast for 1-in-10 Year Case
2002: 3992 MW (Exhibit 1 at III-1)
Growth Rates for Subsequent Years:
2003: 4.21% => 4160 MW
2004: 4.69% => 4355 MW
2005: 3.79% => 4520 MW
2006: 3.38% => 4673 MW
2007: 2.50% => 4790 MW
2008: 2.51% => 4910 MW
2009: 2.48% => 5032 MW
2010: 2.50% => 5158 MW

Source: 2003-2006 Growth Rates derived from Exhibit 1 at III-1 as described in Exhibit 308. 2007-2010 Growth Rates derived from Exhibit 7 at II-9.

4. Generation Assumptions
2268 MW in basin generation
Derivation:
2359 MW in Exhibit 5, Chapter 2, Attachment 2(a)
less 91 MW (RAMCO peakers at Escondido and Chula Vista)

Please determine if/when additional capacity is needed for reliability under G-1/N-1 conditions in the scenarios detailed below. Identify the year a shortfall occurs and how much of a shortfall occurs (in MW). If the critical G-1 or N-1 outage changes based on the scenario assumptions, please identify the new critical outage (unless specified, I will assume G-1 is Encina 5 and N-1 is SWPL between Imperial Valley and Miguel).

Scenario A

SDG&E Base Case
except demand grows at 4.0% in 2003-2004

Scenario B

SDG&E Base Case
except demand grows at 3.5% in 2003-2006

Scenario C

SDG&E Base Case
except demand grows at 2.5% in 2003-2006

Scenario D

SDG&E Base Case
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)

Scenario E

SDG&E Base Case
plus
CFE imports of 90 MW

Scenario F

SDG&E Base Case
plus
Otay Mesa online in 2005 (Capacity 510 MW)

Scenario G

SDG&E Base Case
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
CFE imports of 90 MW

Scenario H

SDG&E Base Case
plus
Otay Mesa online in 2005 (Capacity 510 MW)
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)

Scenario I

Scenario A
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)

Scenario J

Scenario B
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)

Scenario K

Scenario C
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)

Scenario L

Scenario A
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
CFE imports of 90 MW

Scenario M

Scenario B
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
CFE imports of 90 MW

Scenario N

Scenario C
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
CFE imports of 90 MW

Scenario O

Scenario A
plus
Otay Mesa online in 2005 (Capacity 510 MW)

Scenario P

Scenario B
plus
Otay Mesa online in 2005 (Capacity 510 MW)

Scenario Q

Scenario C
plus
Otay Mesa online in 2005 (Capacity 510 MW)

Scenario R

Scenario A
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
Otay Mesa online in 2005 (Capacity 510 MW)

Scenario S

Scenario B
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
Otay Mesa online in 2005 (Capacity 510 MW)

Scenario T

Scenario C
plus
RAMCO Escondido and RAMCO Chula Vista online through 2008 (Capacity 91 MW)
Otay Mesa online in 2005 (Capacity 510 MW)

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Forth Scenarios for Analysis, Identifying Various Exhibits, and Establishing Time to Object on all parties of record in this proceeding or their attorneys of record.

Dated June 14, 2002, at San Francisco, California.

/s/ ERLINDA PULMANO
Erlinda Pulmano

N O T I C E

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